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## **USAID/OFDA Quarterly Program Performance Report**

**Program Title: Emergency Cash Assistance for Displaced Households in Northern Iraq**

**Project Dates: July 01, 2015 – March 31, 2016**

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Tearfund

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**Country/Region:**

Iraq

**OFDA Grant Number:**

AID-OFDA-G-15-00175

**Type of Disaster**

Conflict

**Time Period covered by report**

July 1<sup>st</sup> 2015 – September 30<sup>th</sup> 2015

### **EXECUTIVE SUMMARY**

This project is providing multi-purpose cash assistance for conflict-affected households in Kirkuk Governorate of Kurdish Region of Iraq (KR-I).

In this first quarter of the program, Tearfund's Multi-sector Project Manager and Tearfund Cash Adviser developed a beneficiary selection survey and streamlined it with the vulnerability tool developed by the national cash consortia to ensure tools align with those recommended by the technical working group. Assessments will commence in October with the aim of completing distributions within the second quarter of the project.

A Cash project team have been recruited to implement projects in Kirkuk. Tearfund invested time in building the technical capacity of these staff through training facilitated by the Multi-sector Project Manager and the Tearfund Cash Adviser to inform on verification, assessments, community engagement, distribution process, post distribution monitoring and beneficiary accountability. Staff were trained on the assessment form to ensure clarity on criteria and to ensure accurate data collection.

Since June 2015 Tearfund have informally coordinated the Kirkuk cash working group (CWG). This was formalised at the end of July by the protection cluster. Tearfund has since been voted by members to lead the group. The Kirkuk CWG coordinates the efforts, coverage, and triangulation of beneficiary data, and shares the most relevant ways of meeting the needs of IDP families within the governorate. It further provides a platform to discuss operational challenges particularly with regards to access, coverage and cooperation with the MoDM (Ministry of Migration and Displacement) and enables members to share experiences and learn from what has worked well.

On a national level, Tearfund has been an active member of the national Cash based response working group (CBRWG) in Erbil and has been a member of the Survival Minimum Economic Basket (SMEB) task group. This group is revising the SMEB for the Humanitarian Response Plan (HRP) 2016, the CBRWG tasked Tearfund to gather relevant prices and data from Kirkuk markets to reflect a more geographically adjusted amount in the future. In addition Tearfund has provided data from its assessments on expenditure for IDPs in Kirkuk which was included in the SMEB calculation for the governorate by the CBRWG.

**SECTOR: Logistics Support and Relief Commodities**

**Objective: To respond to the immediate need of displaced households through provision of emergency cash grants**

**Table 1: Summary of project activities planned and executed 07/01/2015 – 09/30/2015**

Activity	Progress/Achievement
<b>Sub sector 1: Non-food items</b>	
<b>What was the planned activity?</b>	What progress/achievements were made?
<b>Recruitment -</b>	<p>Tearfund have recruited, inducted and trained:</p> <ul style="list-style-type: none"> <li>• A Cash Project Officer</li> <li>• Five Cash Assessors</li> <li>• A Database Officer</li> <li>• Logistics Officer,</li> <li>• HR &amp; Finance Assistant</li> <li>• Security Officer</li> <li>• Six Guards</li> <li>• Base Manager - covering supporter functions</li> </ul>
<b>Coordination -</b>	<ul style="list-style-type: none"> <li>• Participated in Erbil based Clusters</li> <li>• Leading the new Kirkuk Cash Working Group</li> <li>• As Kirkuk cash working group lead, representing governorate on the Survival Minimum Economic Basket sub group, to ensure that the 2016 HRP, SMEB recommendation is location specific (incl price monitoring and sharing of assessment data on HH expenditure) to collect SMEB for Kirkuk</li> </ul>
<b>Assessments -</b>	<ul style="list-style-type: none"> <li>• Tearfund have been working with approved beneficiary lists from the MoDM (Ministry of Migration and Displacement) for IDPs who have not received any cash assistance to date. As they have been displaced for over two months they do not qualify for the HRP first line response.</li> <li>• These MoDM approved beneficiaries will be assessed using a beneficiary selection tool which has been developed by the programme manager and Tearfund cash adviser and streamlined with the extremely vulnerability individuals assessment tool developed by the national cash consortia</li> <li>• Assessments will commence in October with the aim of completing distributions within the second quarter of the project (October to December 2015).</li> </ul>

**Table 2: Impact Indicator Progress**

Indicators		Baseline	Target	Progress this quarter	Cumulative Progress to date
<b>Sub Sector 1 : Non-food items</b>					
<b>Indicator 1</b>	<b>Total number and per item USD value of cash/vouchers distributed for NFIs, by type.</b>	<b>0</b>	<b>1277 cash grants of \$360</b>	<b>0</b>	<b>0</b>
<b>Indicator 2</b>	<b>Total number of people receiving NFIs, by sex and type.</b>	<b>0</b>	<b>1277 HH (approx. 6,385 individuals); 50% M/F</b>	<b>0</b>	<b>0</b>

**Update on indicators**

Since no cash has been disbursed to beneficiaries yet, none of the indicators have been achieved in this quarter. Tearfund is confident that this will be achieved well within the project period. There have however been some changes to the project which will impact the targets and therefore indicators. (These were the changes that were shared with OFDA/Iraq and with the AOR on October 01).

Originally, this project aimed to provide 1,150 households with unconditional cash with transfer amounts based on a minimum expenditure basket with a family size scale applied. In the proposal budget Tearfund estimated this amount at an average of \$400. Since then, the 2015 HRP (Humanitarian Response Plan) for Iraq has been launched which sets out guidelines on the Survival Minimum Expenditure Basket (SMEB) and determines the monetary value of the cash transfer, as was determined by the national-level Cash Based Response Working Group (CBRWG). This has superseded the guidelines we referred to at the proposal stage. It was calculated using available information from clusters and concluded that beneficiaries will receive an unconditional cash transfer of \$360 per month per household. Tearfund therefore streamlines its response to the national technical guidance and will distribute US\$360 per household. This amount equals 80% of the SMEB, which was decided to limit dependencies amongst beneficiaries. By amending these figures, Tearfund is in line with the national guidelines and standards set out in the HRP. Supporting HH's with \$360 has (positive) implications on the number of people we can reach through OFDA funding. Subsequently, Tearfund is able to support 1,277 households, instead of 1,150 households, with \$360, whilst keeping within the budget. After revision of average family sizes (based on assessments in previous programming) and conversations with other cash actors to streamline responses, it was decided to provide \$720 (2\*\$360) for families who meet the selection criteria and consist of 10 members or more. This will ensure that amounts are appropriate to cover basic emergency needs for those larger families.

**CHALLENGES AND CONSTRAINTS****Security**

The security situation in Kirkuk governorate and city has remained fluid since the onset of the project and has seen an increase in security incidents. In July 75% more Improvised Explosive Devices (IEDs), Small Arms Fire (SAF) when compared to the first six months of the year. The second half of August alone saw the number of incidents increase to 68 (in the city, compared to 18 in the first four months of 2015). A particularly worrying trend has been the increase in economically driven robberies and kidnappings in the city. Given this development, Tearfund considered it necessary to revisit and strengthen movements tracking as well as security analysis of the areas of operation. Therefore, Tearfund brought its International Safety Coordinator to Iraq in July/ August in order to support security analysis and review

procedures as well as identify gaps. Subsequently, Tearfund has updated its operating procedures. Due to the evolving security situation, this was considered essential prior to sending staff to field sites, but has caused a delay in commencing the programme. Tearfund also worked on base improvements to comply with organisational standards for insecure environments which included security measures such as blast film installation on the windows, but also the finalisation of the hibernation room and kits.

## **UNHCR - MoDM**

Initially, Tearfund coordinated with UNHCR who liaised with MoDM to gain approval of beneficiaries the UNHCR PARC team had assessed and identified as severely and moderately vulnerable. Tearfund received an approved tranche of 729 approved vulnerable families and started verification, mapping and assessments. This coordination came out of initial conversations with UNHCR in which Tearfund was approached to support in delivering assistance to those vulnerable HH, as UNHCR did not yet have the funds or capacity to do so.

In September however, UNHCR received funds and secured a country wide contract with a smart card provider. As such they are now able to cover needs of 100% of all HH identified by their PARC team. As a consequence, Tearfund now liaises directly with the MoDM to receive lists and to have them approved prior to distribution.

Overall Tearfund has built positive working relationships with the MoDM. Tearfund's senior management in Iraq have engaged with local authorities on bi-weekly basis to provide project updates and discuss issues such as coverage, registration lists and programming among others. Tearfund has also been an active participant in ad hoc meetings with local authorities such as the MoDM Coordination Meeting with INGO's in August. However, the process of beneficiary list receipts and approval from the MoDM directly has taken considerably longer than anticipated which has had a knock-on effect for beneficiary verifications, household assessments and also the cash distributions itself. Tearfund has fed back to the ministry and both parties agreed to streamline this going forward. Beneficiary selection is happening on an ongoing basis and lists are being finalised so that distributions can commence promptly.

## **Qi Cards**

Tearfund has carried out an analysis of available transfer mechanisms in Kirkuk including Hawala, Qi cards and cheques through banks. Initially, Qi cards were identified as suitable for cash programming in Kirkuk. This was proposed to OFDA in the proposal. The last quarter therefore saw direct contract negotiations between Tearfund and Qi cards, as well as Qi staff demonstrating of how the tool works in Erbil during one of their visits. Strengthened data protection clauses were added to mitigate against protection concerns to do with data sharing of confidential information. Tearfund senior staff (Finance Manager and Country Director), as well as an external lawyer reviewed the contract which was sent to Qi card (as agreed) to be signed beginning of September. Shortly after, the national cash-based response working group announced that Qi card had just secured a very large government contract to deliver payments, and as such is reviewing all existing commitments and will not accept any new contracts. Tearfund followed this up directly with the Qi card liaison point who confirmed this information and said that all new contracts would be reviewed by an internal panel. Since Tearfund's projects are substantially smaller than the contracts Qi have recently secured, Qi card is at this point unable to commit to working with Tearfund. Large scale contracts, such as with UNHCR, have after Qi card review, been retained as they are nationwide and bring larger sums to the bank financed smart card provider. After weeks of direct negotiations, this has been a very unexpected setback. Subsequently, based on this and the beneficiaries preference outlined in Annex 1, Tearfund is continuing with using the Hawala system, but has also started exploring the option of using financial service providers and issuing cheques to beneficiaries. This analysis has been carried out by the programme and support functions in September and is likely to be piloted in the coming months.

## **Hawala**

Recent months have also seen Hawalas being kidnapped in the Kirkuk Governorate, alongside cash motivated robberies in the Kirkuk area. Subsequently, this may have affected Hawalas' willingness to work in Kirkuk in general, and with INGOs and huge sums of money in particular. Therefore, Tearfund experienced difficulties in finding Hawalas willing to support the local cash distributions. Tearfund has now signed a contract with the selected Hawala agent who was recommended by the UNHCR cash advisor in Kirkuk. The Hawala's details have been run successfully through the Bridger terrorism check and he was cleared by the Asayish. Tearfund's contract with the Hawala has detailed clauses around fraud and the misappropriation of funds, which is seen as gross misconduct and would result in the termination of the agreement.

Tearfund has ensured that there is a thorough service contract in place clearly outsourcing the financial risk to the Hawala agent. Payment will only be made upon reconciliation of records. As such, the Hawala will pre-finance and is responsible for the sourcing and transportation of funds.

However, Tearfund's Area Coordinator, project team and security officer work closely with the Hawala to jointly discuss and assess locations for the distributions. The security assessment identifies risks, tracks previous incidents, and put in place any measures to mitigate against these, including identifying a safe location to evacuate too. In addition, Tearfund keeps the timeframe for informing beneficiaries of a distribution (time and date) and the actual distribution to a minimum for security reasons. Tearfund have found that beneficiaries are very satisfied with one days' notice about the distribution. As such, measures are taken to mitigate and manage the risk of safety and security to the Hawala where possible and contractual clauses define responsibilities outside of that scope as detailed above.

### **Beneficiary stories**

██████ is a widow displaced from Andar with three children. Currently they are living in an unfinished building with three families, a total of 24 people. This unfinished building is being rented to the three families at 200,000 IQD per month (\$170). She suffers from a severe illness which is preventing her from working. The children don't go to school because of her medical condition and as her three children are all under 12 they don't have an income. She can't buy food on a daily basis and is reliant on her children begging the neighbours for something to eat. They don't even have any spare clothes to wear.

They listed their priorities as money, food, clothes & mattresses and medication. She plans on using the \$360 to go to the doctor and pay rent.

██████ fled from Sal'al'huddin with her three children. Her husband was a policeman before 2014 and has been imprisoned by ISIS because of it. She is now responsible for her three children, who can't attend school because of rising of prices in the markets and the high costs of transportation. She's completely dependent on other people around her to buy food for her family. During the summer her family were affected by the extreme heat and have suffered from hunger.

At the moment they are renting an unfinished building at 250.000 IQD (\$210) per month. However, the land lord recently informed her that they are being evicted so that he can complete construction. She is currently looking for a tent to live in.